THE SECOND DAY.

16th February 1915.

The Assembly met at 11-30 A. M. on Tuesday, the 16th February 1915.

The Chief Secretary to Government announced that the Members of the Trivandrum Division met the previous day under the presidency of the Dewan Peishkar, Trivandrum, and elected, by a majority of votes, Mr. T. K. Velu Pillai, B. A., B. L., to the vacant seat in the Legislative Council, and that His Highness the Maha Raja had been pleased to approve of the election and would, in due course, appoint him as a non-official Member of the Legislative Council.

The consideration of the subjects, as per list distributed to the Members the previous day, was begun.

I.—FINANCE.

1. The need for a more efficient, economic and equitable administration of the State finances.

Mr. A. Govinda Menon B. A. (Member, T. I. C., Parur) expressed, at the outset, the determination of His Highness' subjects to play their part, however humble it might be, by the side of Great Britain in the titanic struggle in which she had engaged herself and tendered the assurance that one and all of His Highness' subjects would try their utmost to bring about the fullest and amplest realisation of His Highness' promise to the British Government to place the entire resources of His Highness' State at the disposal of that Government. He also added that it was the wish and prayer of His Highness' subjects that success and glory should attend Great Britain and her allies in the great war.

Proceeding to the subject of his representation, he stated that, during the past ten years, the total revenue of the State had increased by 63 per cent and that the total expenditure had also increased almost in the same proportion. He contended that the rise in the total expenditure bore no suitable proportion to the amount of material benefit the Government had been able to confer on the people during the said decade. That state of affairs was due to the following defects in the system of financial administration :—

(1) The first and foremost defect was the over-centralisation of the financial administration of the State. To remedy the evil, he suggested that the people should be entrusted with a certain degree of control over the finances of the State by conferring on the Popular Assembly and the Legislative Council an effective voice in the administration of the State finances. In the case of the Popular Assembly, the suggested reform could be effected by

(*a*) extending the tenure of office of its members to a period of at least 3 years;

(*b*) allowing the members to discuss the Budget Estimates and to pass resolutions, which, if unanimous, should be acted upon by the Government except in certain well-defined cases; and

(*c*) granting the right of interpellation to its members on matters of general administration.

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As for the Legislative Council, he suggested that it shoud be re-modelled on the basis of similar institutions in British India and given powers at least equal to, if not greater than, the powers conferred on those institutions. Besides the above measures, the principle of local self-government should be given a wider and more liberal application by the formation of Taluk and District Boards and similar institutions, gradually extending a measure of local autonomy in the management of those concerns which immediately affected the welfare of the people.

(2) The second defect in the financial administration of the State was that it was, in many respects, neither economic nor equitable. The financial policy of the State did not take adequate notice of that sound principle of finance which required that, under ordinary circumstances, no extraordinary expenditure should be met from current revenue to the detriment of current demands. The financial policy of the State had led to the increase of current expenditure on a scale so large that, in spite of the large increase in the total revenue of the State in recent years, the Government were forced to resort to fresh taxation to meet some of the more urgent demands. That policy had contributed to the expenditure of large sums in the creation of new and unnecessary appointments and in increasing the establishment charges of departments like the Public Works Department, the Forest and the Police, without substantially increasing the efficiency of administration. It had not kept proper control over the expenditure of departments like the P. W. D., the Forest and the charitable institutions of the State. It had not treated all classes and places alike in the distribution of allotments under Public Works, Medicine, Sanitation, etc. That policy had not done as much as it could have done towards the material, moral and intellectual advancement of the people; nor had due attention been paid in the matter of conserving and developing the material and natural resources of the State.

In addition to the remedies already suggested for checking the evils of excessive centralisation, the Member proposed the following measures with a view to place the finances of the State on a sound basis :—

(*a*) The machinery of administration should be remodelled in the manner calculated to promote the best interests of both the Government and the governed.

(*b*) The extreme stringency in the matter of collection of the revenues of the State, especially the land revenue, should be relaxed whenever and wherever it was found to work hardship to the people. He also suggested that the rules regarding remission of taxes should be remodelled on more liberal lines.

(3) Increased allotments should be given for the following purposes :—

(*a*) *Agriculture.* For the establishment of a well-equipped Agricultural High School in some suitable centre in the State ; for increasing the number of agricultural farms ; for agricultural loans ; and for the establishment and aid of purely agricultural co-operative credit societies.

(*b*) *Commerce and Industry.* For the purpose of aiding the industries and commerce of the country, for conducting an industrial survey of the State, and for establishing a Commercial High School in a suitable centre.

(*c*) *Education.* For the encouragement of grant-in-aid elementary schools or for the establishment of departmental schools wherever necessary in the State ; for increasing the number of girls' schools; for the establishment of a few more schools for the training of female teachers ; for the enhancement of the pay of female teachers ; and for the establishment of libraries and reading rooms in all parts of the State as in the Native State of Baroda.

(*d*) *Medicine and Sanitation.* For providing mofussil hospitals with a sufficient supply of medicine, for improving the condition of village sanitation and for granting the necessary financial aid to the needy T. I. C.'s of the State.

(*e*) *Police and Excise.* For the provision of a living wage to the constables and peons of the two departments, their lowest pay being raised to Rs. 9 per mensem.

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(4) Retrenchment and reform were absolutely necessary in the following cases :—

(*a*) *Police.* The office of Circle Inspectors should, if possible, be altogether done away with, or at least their number should be considerably reduced and the resulting saving should be made use of for raising the pay of the constables.

(*b*) *P. W. D.* The number of Executive and Assistant Engineers in the department was too many for the State and admitted of a substantial reduction. The policy of importing Europeans for service in the department in preference to Travancoreans or Indians was highly injurious and should be discouraged as far as possible. And lastly, proper supervision should be exercised over the expenditure of the department and that would be possible only by the appointment of a competent and professional officer in the General and Revenue Secretariat.

(*c*) *Forest.* In order to increase the revenue of the department, the Member suggested the adoption of the following measures:—

(i) the felling and removal of trees should be entirely given out on contract;

(ii) the sale of timber should be conducted at proper times instead of hurriedly disposing of the stock at the fag end of the financial year ;

(iii) minor produce should be collected entirely by the department; and

(iv) the export duty on timber should be re-imposed at the expiry of the present period of exemption, as its abolition had done no good to the department, although it had appreciably affected the customs revenue of the State.

(5) The Member also submitted the following proposals for the conservation and development of the resources of the State :—

(*a*) the extension of cultivation by throwing open such portions of the reserved forests as were not likely to be of use to the Forest Department ;

(*b*) the development of the fishing industry in the State ; and

(*c*) the exploitation by the Government of the mineral resources of the State.

(6) Lastly, the Member suggested the appointment of a Committee to go into the whole question of financial administration and to formulate measures for retrenchment and reform in the various departments of the State. The proposed Committee, he added, should be composed of officials as well as non-officials.

Dewan's reply.—Noted.

2. The need for a better policy in the administration of the State finances.

Mr. N. Padmanabha Pillai (Member, Karunagapalli taluk) considered at the outset the present condition of the finances of the State. He pointed out that, in 1089, the State had incurred a deficit of two lacs of rupees and that that deficit would admittedly rise to over 21 lacs at the close of 1090. In his opinion, under existing conditions, additional expenditure would have to be inevitably incurred in the future for the following reasons:—

(1) The cumulative effect of all the departmental re-organisations would be felt only after the scales of pay therein sanctioned attained the maxima.

(2) Throughout the State, there were only 2,511 miles of metalled roads and 1,734 miles of village roads maintained by the P. W. D. Communications in the several taluks of the State were still in a backward condition and they must necessarily be improved in the near future.

(3) Irrigation facilities had been given by the Government only to the taluks of South Travancore and Shencotta and such facilities would have to be given to other parts of the State as well.

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